

Due Diligence Checklist
Address: 629 South 89th Street

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| <p>The Commissioner's assessment of the market value of the property.</p> | <p>629 South 89th Street (the "Property") is in the City of Milwaukee's 2019 property tax foreclosure File No. 1. The Property is privately owned by Chris Kalkounos. The Property is a tax-delinquent brownfield property that will be sold "as is, where is," without any guarantees. The Property is zoned IL1 or Industrial-Light.</p> <p>The purchase price for the Property is \$6,000. The building is partially collapsed and the Property is cluttered with debris.</p> |
| <p>Full description of the development project.</p> | <p>Abraham Holdings LLC (the "Buyer") proposes to demolish the rear portion of 629 South 89th Street or approximately 18,000 square feet of unusable and collapsed space for parking and green space. The front portion or approximately 8,000 square feet will be renovated for Warehouse-Lighting corporate offices and to allow for additional subassembly work overflow from the adjacent property.</p> |
| <p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p> | <p>The Buyer intends to renovate the existing eastern portion of the building for its corporate office and use the rear portion of the property for additional parking and green space.</p> |
| <p>Developer's development project history.</p> | <p>The Buyer owns and operates Warehouse-Lighting.com and provides LED products for industrial and commercial uses that replace old, non-energy-efficient lighting. The Buyer owns the adjacent property at 615 South 89th Street that is used by Warehouse-Lighting.com. Warehouse-Lighting has been supplying, installing, maintaining and upgrading industrial, commercial and residential lighting products for over a decade.</p> |
| <p>Capital structure of the project, including sources, terms and rights for all project funding.</p> | <p>Funding for the improvements will be self-financed.</p> |
| <p>Project cash flows for the lease term for leased property.</p> | <p>Not applicable.</p> |
| <p>List and description of project risk factors.</p> | <p>Since the proposed deal between the City and the Buyer depends upon the City being able to acquire the 629 South 89th Street property by tax-foreclosure (so the City can then sell the Property to Abraham Holdings LLC), one risk is that the current tax-delinquent owner of 629 South 89th Street (Chris Kalkounos) redeems the parcel from tax foreclosure by paying off delinquent taxes.</p> |

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| <p>Tax consequences of the project for the City.</p> | <p>The Buyer anticipates investing \$450,000 in the project. The collapsed part of the building will be razed and 629 South 89th Street will be improved to allow for expansion of the Buyer's existing next door business. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status.</p> |
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